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LISTING STATEMENT No. 2009

LISTED MARCH 30th, 1959

1,015,153 common shares without par value of which
180,000 are listed subject to issuance.
Ticker abbreviation IPS.
Post section 11.

TORONTO STOCK EXCHANGE

LISTING STATEMENT

APR 9 1959

INTERPROVINCIAL STEEL CORPORATION LTD.

An operating company incorporated under the laws of the Province of Saskatchewan by Certificate of Incorporation dated December 24, 1957.

Common Shares without nominal or par value.

CAPITAL SECURITIES AS AT MARCH 1, 1959

(after giving effect to the financing arrangements referred to in the prospectus forming part of this listing application)

	TO BE AUTHORIZED	TO BE ISSUED AND OUTSTANDING	TO BE LISTED
First Mortgage Bonds.....	\$10,000,000		
4½% First Mortgage Serial Bonds maturing \$500,000 on December 1, 1960 and \$750,000 annually on December 1, 1961 to 1966, inclusive.....		\$5,000,000	nil
5½% First Mortgage Sinking Fund Bonds maturing on December 1, 1973.....		5,000,000	nil
6% Convertible Sinking Fund Debentures maturing on December 1, 1974.....	\$ 1,500,000	1,500,000	nil
Common shares without nominal or par value.....	2,000,000 shs.	1,015,153 shs.	1,015,153 shs.*

(*included in the said 1,015,153 shares are 180,000 shares which the Company is obliged to issue to The Government Finance Office of the Province of Saskatchewan as consideration for the guarantee by the Province of Saskatchewan of the First Mortgage Bonds of the Company, which said 180,000 shares are to be listed subject to notice of issuance.)

March 19th, 1959.

1. APPLICATION

Interprovincial Steel Corporation Ltd. (herein sometimes referred to as the "Company") hereby makes application for listing on the Toronto Stock Exchange of 1,015,153 common shares without nominal or par value of its capital stock of which 835,153 shares are issued and outstanding as fully paid and non-assessable and 180,000 shares are to be issued to The Government Finance Office of the Province of Saskatchewan and are to be listed subject to notice of issuance.

2. REFERENCE TO PROSPECTUS

Reference is made to the attached prospectus issued by the Company under date of December 18, 1958 in respect of the offering of 100,000 common shares without nominal or par value in the capital of the Company a copy of which prospectus is hereby incorporated herein and made a part hereof. Since the date of the said prospectus an Act of the Legislature of the Province of Saskatchewan has been passed enabling the Province of Saskatchewan to guarantee unconditionally the principal of and interest on the First Mortgage Bonds of the Company and a Guaranty Agreement dated March 17th, 1959, has been executed. Reference is made to paragraph (p) of the Statutory Information forming part of the said prospectus for the arrangements made by the Company for the sale of the said First Mortgage Bonds.

3. OPINION OF COUNSEL

Messrs. MacPherson, Leslie & Tyerman, 2236 Albert Street, Regina, Saskatchewan, counsel for the Company, are filing in support of this application an opinion stating, among other things, that the Company has been duly incorporated and organized under the laws of the Province of Saskatchewan, is a valid and subsisting company, that the presently outstanding 835,153 common shares have been validly issued and are outstanding as fully paid and non-assessable shares and that, when the 180,000 common shares to be issued to The Government Finance Office of the Province of Saskatchewan are issued and paid for, such shares will be issued and outstanding as fully paid and non-assessable.

4. LISTING ON OTHER STOCK EXCHANGES

The Company proposes to make application for the listing of its common shares on the Vancouver Stock Exchange.

5. STATUS UNDER SECURITIES ACTS

The offering of the 100,000 common shares of the Company referred to in the attached prospectus was duly approved and authorized in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Nova Scotia.

6. FISCAL YEAR

The fiscal year of the Company ends on June 30th.

7. ANNUAL MEETING

No annual meeting has been held to date. The Articles of Association of the Company provide that the first annual meeting shall be held within 18 months of the date of incorporation of the Company and that thereafter an annual meeting shall be held once in every year at such time (not being more than 15 months after the holding of the last preceding annual meeting) as may be prescribed by the Company in general meeting or at such time and place in each year as the board of directors of the Company may from time to time determine.

8. HEAD OFFICE

The head office of the Company is at 2236 Albert Street, Regina, Saskatchewan.

9. TRANSFER AGENT AND REGISTRAR

Montreal Trust Company at its offices in the Cities of Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver is the transfer agent and registrar for the common shares of the Company.

10. TRANSFER FEE

No fee is charged on the transfer of the common shares other than stock transfer taxes.

11. AUDITORS

The auditors of the Company are Messrs. Riddell, Stead, Graham & Hutchison, Chartered Accountants, 202 Bank of Nova Scotia Building, Regina, Saskatchewan.

12. OFFICERS

Murdoch Alexander MacPherson	Chairman of the Board	202 Balfour Apartments, Regina, Saskatchewan
James William Sharp	President	11 Westgate Apartments, Regina, Saskatchewan
Cecil Edmund Chesher	Vice-President	1015 Sydenham Road, Calgary, Alberta
George Charles Solomon	Vice-President	2600-19th Avenue, Regina, Saskatchewan
Jack Nellis Turvey	Secretary-Treasurer	5987 Churchill Street, Vancouver, B.C.

13. DIRECTORS

Douglas Rudyard Annett	Investment Dealer	79 Chudleigh Avenue, Toronto, Ontario
Cecil Edmund Chesher	Executive	1015 Sydenham Road, Calgary, Alberta.
John Seeton Davidson	Insurance Broker	Vernon Manor, Nelson St., Vancouver, B.C.
Carman George King	Investment Dealer	171 Owen Boulevard, Willowdale, Ontario
James Victor King	Executive	3209 Hill Avenue, Regina, Saskatchewan
Robert Alphonso Kramer	Executive	3160 Albert Street, Regina, Saskatchewan
Murdoch Alexander MacPherson	Barrister	202 Balfour Apartments, Regina, Saskatchewan
Hugh Allen Martin	Executive	7250 Hudson Street, Vancouver, B.C.
James William Sharp	Executive	11 Westgate Apartments Regina, Saskatchewan
John Beverly Sangster	Executive	2630 McCallum Avenue, Regina, Saskatchewan
Francis Earl Shaw	Executive	530 S. Vidal Avenue, Sarnia, Ontario
George Charles Solomon	Executive	2600-19th Avenue, Regina, Saskatchewan
Jack Nellis Turvey	Executive	5987 Churchill Street, Vancouver, B.C.
Norman Eugene Whitmore	Executive	2208 Smith Street, Regina, Saskatchewan

This Prospectus is not, and in no circumstances is to be construed as, a public offering of any of these shares for sale in the United States of America, or in the territories or possessions thereof.

A copy of this Prospectus has been filed with the Registrar of Companies for the Province of Saskatchewan and with the Registrar of Companies for the Province of British Columbia

New Issue

100,000 Common Shares

(without nominal or par value)

INTERPROVINCIAL STEEL CORPORATION LTD.

(Incorporated under the laws of the Province of Saskatchewan)

TRANSFER AGENT AND REGISTRAR

MONTREAL TRUST COMPANY, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver

We, as principals, offer these 100,000 common shares without nominal or par value in the capital of Interprovincial Steel Corporation Ltd. subject to prior sale and change in price if, as and when issued and accepted by us and subject to the approval of all legal matters on behalf of the Company by Messrs. MacPherson, Leslie & Tyerman, Regina, and on our behalf by Messrs. McCarthy & McCarthy, Toronto, who may rely on the opinion of Messrs. MacPherson, Leslie & Tyerman as to all matters of Saskatchewan law.

Price: \$6.00 per share

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that interim share certificates, later exchangeable without cost for definitive certificates, will be available for delivery on and after January 7, 1959.

LETTERHEAD

INTERPROVINCIAL STEEL CORPORATION LTD.

207 BRENT BUILDING,
REGINA, SASKATCHEWAN.
December 18, 1958.

ANNETT & COMPANY LIMITED,
335 Bay Street,
Toronto, Ontario.

DEAR SIRs:

In connection with the proposed issue of \$1,500,000 principal amount of 6% Convertible Sinking Fund Debentures of Interprovincial Steel Corporation Ltd. (hereinafter referred to as the "Company") and 100,000 common shares without nominal or par value in the capital of the Company, we are pleased to supply you with the following information:

The Company

The Company was incorporated on December 24, 1957 under the laws of the Province of Saskatchewan to engage in the manufacture and sale of skelp, plate and structural steel for use by welded steel pipe mills, general fabricating plants and the construction industry. The proposed mill to be constructed by the Company for this purpose will represent the establishment of a new industry in the Province of Saskatchewan and the Government of Saskatchewan has agreed to assist in the establishment of the industry as more particularly described herein under the heading "Government of Saskatchewan Assistance".

In the first instance, extensive surveys and studies were conducted by the management of the Company to determine the possibilities and feasibility of the industry. Subsequently, feasibility studies of the proposed mill and industry were prepared for the Company by Stevenson & Kellogg, Ltd. and for the Saskatchewan Government Finance Office by J. D. Woods & Gordon Limited. Both these firms have confirmed the opinion of the management and have reported favourably upon the establishment and possibility of success of the industry.

The Proposed Mill

The Company has acquired a parcel of approximately 180 acres some two miles northwest of the City of Regina, Saskatchewan as a site for the proposed mill. The site is adjacent to main highways and will be served by a spur line of the Canadian Pacific Railway. Adequate power for the mill is readily available from Saskatchewan Power Corporation.

Engineering plans and designs for the mill are based on the use in a melt shop operation of various grades of steel scrap with the addition, for the purpose of controlling the metallurgical properties of the finished product, of small quantities of pig iron and alloying materials, ferrosilicon and ferromanganese. The mill has been designed to produce

- (i) 80,000 tons of skelp per year having the physical qualities and tolerance of the skelp presently being used for API pipe conversion by Prairie Pipe Manufacturing Co. Ltd. at Regina;
- (ii) 10,000 tons of structural shapes per year of 5 inch, 6 inch and 8 inch angles and 10 inch and 12 inch channels, up to 40 foot lengths and with webs of $\frac{1}{2}$ inch and over;
- (iii) 10,000 tons of plate per year from $\frac{3}{16}$ of an inch to 2 inch thickness and 72 inch width and from $\frac{3}{8}$ of an inch to 2 inch thickness up to 96 inch width, and 40 foot length.

The Company, through its agent, Industrial Consultants Limited, has entered into a turn key contract with Indecon Corporation (herein referred to as "Indecon") of Kansas City, Missouri for the design, engineering and erection of the mill for which the Company has agreed to pay Indecon a fixed price of \$10,865,000, subject to adjustment as hereinafter referred to. Under this contract, Indecon is obliged to engineer and erect a mill which will have a capacity to produce the products above referred to. The Company is to supply certain facilities such as the site, the railway spur, spare parts, auxiliary scrap preparation equipment, etc., and Indecon is to supply all other facilities required for the mill. It is estimated that the cost of the facilities which the Company is to supply will amount to approximately \$900,000 and that the total cost of erecting and equipping the mill will be approximately \$11,765,000.

Preparation of the site for construction of the mill commenced on October 14, 1958 and it is anticipated that the mill will be completed some fifteen months from that date.

The contract with Indecon also provides that Indecon must supply at no additional cost to the Company such personnel as may be required to train the Company's personnel for a period of 60 days and that the contract shall not be deemed to be completed until the mill has been operated for 30 consecutive operating days at certain production rates.

The construction contract also provides that the Company shall pay Indecon \$1,000 for each day that the mill is ready for production tests prior to 15 months from October 14, 1958 and that Indecon shall pay to the Company \$1,000 for each day the mill is not ready for production tests after 15 months from October 14, 1958.

Raw Materials

Scrap steel is the principal raw material which will be used in the mill. The supply and availability of scrap steel has been carefully investigated in the course of the preparation of the feasibility studies of Stevenson

& Kellogg, Ltd. and J. D. Woods & Gordon Limited referred to above and in addition we understand you have received from Kingsland and Associates an independent survey of the availability of scrap steel. These studies indicate that at the present time adequate supplies of scrap necessary for the Company's proposed operations are available. The Company is currently accumulating a supply of scrap and expects to have a substantial inventory when the mill is ready for operation.

Skelp

Markets

Skelp is the principal product used in the manufacture of welded steel pipe. There are three plants in Western Canada which are engaged in the production of welded steel pipe and all three use large quantities of skelp in their operations: Prairie Pipe Manufacturing Co. Ltd. of Regina with a capacity of 60,000 tons per year, Alberta Phoenix Tube & Pipe Co. Ltd. of Edmonton, Alberta with a capacity of 150,000 tons per year and Canadian Western Pipe Mills Ltd. of Port Moody, British Columbia with a capacity of 60,000 tons per year. At the present time there is no skelp production in Western Canada.

The skelp to be produced by the Company will be of a type suitable to meet the requirements of these three companies and the Company has entered into an agreement with Prairie Pipe Manufacturing Co. Ltd. under which the Company will supply all of the steel skelp requirements of Prairie Pipe Manufacturing Co. Ltd. for a period of 15 years from commencement of production by the Company, subject only to price, quality and delivery being competitive.

Structurals and Steel Plate

Market studies have indicated that the present demand in the Prairie Provinces for both structurals and steel plate is such that markets would appear to be available for the Company's contemplated production of these products. Additionally, the heavy structural members to be manufactured by the Company are not produced in any other plant in Western Canada. Original design of the mill called for production of steel plate of a maximum width of 72 inches. The mill as presently designed and to be constructed will permit production of steel plate with a maximum width of 96 inches. In the opinion of the Company this extra width should increase the market available to it for steel plate.

The Company has been advised by the Provincial Treasurer of the Province of Saskatchewan that, consistent with the policy of the Government and Crown Corporations of Saskatchewan to support local industry, the Government would be willing to purchase wherever possible its requirements of plate and structural steel from the Company, quality, price and delivery being competitive.

Government of Saskatchewan Assistance

The Government of Saskatchewan has encouraged and assisted the Company in the establishment of the industry and the Company has received a letter from the Provincial Treasurer of the Province of Saskatchewan, undertaking to introduce legislation at the next session of the Legislature which would permit the Government of Saskatchewan to guarantee unconditionally the due payment by the Company of the principal of and interest on the Bonds of the Company hereinafter referred to. It is expected that the next session of the Legislature will open about or shortly after the middle of February, 1959.

The Company has been advised by the Provincial Treasurer that, as a condition of any such guarantee by the Province of Saskatchewan, the following terms, conditions and requirements, inter alia, must be complied with by the Company:

- (i) The form, terms and conditions of the Bonds are to be satisfactory to the Government;
- (ii) Provision is to be made for the deposit of the proceeds from the sale of the Bonds with the Trustee under the Deed of Trust and Mortgage pursuant to which the Bonds are issued, subject to withdrawal on terms and conditions satisfactory to the Government;
- (iii) The Government is to be subrogated to all the rights of the Bondholders in respect of the security to be created for the Bonds;
- (iv) The Company shall have received the sum of approximately \$5,300,000 from the sale of the Debentures and from the sale of common shares without nominal or par value in the capital of the Company;
- (v) As consideration for the guarantee of the Bonds by the Government, the Company shall issue to The Government Finance Office (a Crown corporation) 180,000 common shares at a price of 60¢ per share;
- (vi) The Company is to agree that, until all of the Bonds are retired, it will not sell without the consent in writing of The Government Finance Office any of its treasury shares at a price net to the treasury less than \$5.40 per share.

The proposed guarantee of the Government of Saskatchewan will be applicable only to the Bonds of the Company and will not apply to the Debentures.

Management

The Company has entered into a contract, dated October 7, 1958, with Industrial Consultants Limited, pursuant to which Industrial Consultants Limited will supervise on behalf of the Company the construction and equipping of the mill and will render management services to the Company until the mill is completed and in effective operation. Mr. J. W. Sharp, the president of Industrial Consultants Limited and President of the Company, has for 29 years held managerial positions in heavy industry, having served as general manager of Deeks-McBride Limited and vice-president and general manager of Saskatchewan Cement Corporation. Mr. Sharp is also president of Prairie Pipe Manufacturing Co. Ltd. Mr. Sharp, in performing his duties as President of the Company, will be assisted by A. B. Montgomery of Youngstown, Ohio, a recognized consultant on design, installation and operation of rolling mill equipment. Mr. Montgomery has had wide experience in the field of hot strip rolling and cold rolling of both steel and alloys.

Capitalization

Upon the issue of the 6% Convertible Sinking Fund Debentures and 100,000 common shares referred to in this prospectus, upon the sale of the Bonds hereinafter referred to and upon the issuance of 180,000

common shares to The Government Finance Office as consideration for the guarantee by the Province of Saskatchewan of the Bonds of the Company, the capitalization of the Company will be as follows:

	Authorized	Issued and Outstanding
First Mortgage Bonds	\$10,000,000	
4½% First Mortgage Serial Bonds maturing \$500,000 on December 1, 1960 and \$750,000 annually on December 1, 1961 to 1966, inclusive		\$5,000,000
5½% First Mortgage Sinking Fund Bonds maturing on December 1, 1973		\$5,000,000
6% Convertible Sinking Fund Debentures maturing on December 1, 1974	\$ 1,500,000	\$1,500,000
Common shares without nominal or par value	2,000,000 shs. ⁽¹⁾	1,015,153 shs.

Note⁽¹⁾—of which 230,770 shares are reserved for the conversion of the 6% Convertible Sinking Fund Debentures at the initial conversion price and 20,000 shares will be reserved against the exercise of options expected to be granted to key employees.

Purpose of Issue

The proceeds from the sale of the \$1,500,000 principal amount of 6% Convertible Sinking Fund Debentures and 100,000 common shares referred to in this prospectus together with the proceeds from the sale of the Bonds and the present funds of the Company will be used to defray the cost of constructing and equipping the mill and to provide initial working capital estimated at \$2,800,000.

Certain Provisions of the Trust Indenture

The \$1,500,000 aggregate principal amount of 6% Convertible Sinking Fund Debentures (herein sometimes referred to as the "Debentures") now proposed to be issued are to be direct obligations of the Company and are to be issued under a Trust Indenture (herein referred to as the "Trust Indenture") to be dated as of December 1, 1958 and to be made between the Company and The Canada Trust Company, as Trustee. The Debentures will not be secured by any mortgage or other charge. The maximum principal amount of Debentures which may be issued under the Trust Indenture will be limited to \$1,500,000 principal amount.

The Trust Indenture is to contain provisions to the effect

- (i) that the Company will not declare or pay any dividends on any shares in its capital if the Company is in default under the Trust Indenture or if the net working capital of the Company is, or by reason of the payment of such dividend would be, less than \$4,000,000, and
- (ii) that the Company will not, nor will it allow any subsidiary to, enter into any guarantee except guarantees given in the ordinary course of business.

Convertible Feature

Each Debenture will be convertible at the option of the holder at any time up to the close of business on November 30, 1974 or the close of business on the fifth day immediately preceding the date specified for redemption of any Debenture, whichever is the earlier, into fully paid and non-assessable common shares as now constituted in the capital of the Company at the following prices in lawful money of Canada per share taking each Debenture at the principal amount thereof and without adjustment for accrued interest thereon (i) at \$6.50 per share if converted on or before December 1, 1961, (ii) at \$7.00 per share if converted after December 1, 1961 and on or before December 1, 1963, (iii) at \$8.00 per share if converted after December 1, 1963 and on or before December 1, 1965, (iv) at \$9.00 per share if converted after December 1, 1965 and on or before December 1, 1967, and (v) at \$10.00 per share if converted after December 1, 1967 and on or before November 30, 1974.

The Trust Indenture will contain provisions for adjustment of the conversion privilege in certain events, including the issuance of common shares at a price below the conversion price then in effect, and subdivisions and consolidations of outstanding common shares. Provision will also be made in the Trust Indenture to protect the right of conversion in the event of any capital reorganization or reclassification of the share capital of the Company or a consolidation or merger of the Company with or into another corporation. The Company will covenant in the Trust Indenture that it will at all times reserve sufficient of its unissued common shares to satisfy the exercise of the right of conversion attaching to the Debentures.

The Trust Indenture will provide that no fraction of a common share will be deliverable upon the conversion of any Debenture. The Company will adjust all fractions arising upon conversion of Debentures by paying to the holder of the Debentures being surrendered for conversion an amount in cash computed in the manner to be set out in the Trust Indenture.

Sinking Fund

The Company will covenant in the Trust Indenture to pay to the Trustee as and by way of a sinking fund for the Debentures the sum of \$150,000 on December 1 in each of the years 1967 to 1973 inclusive. In addition, the Company will also covenant to pay to the Trustee an amount equal to accrued interest and expenses incurred in redeeming Debentures out of sinking fund moneys. The Company will have the right to

purchase Debentures in the market or by private contract at prices not exceeding the redemption price in effect at the time of purchase in respect of Debentures redeemed otherwise than out of sinking fund moneys plus accrued interest and costs of purchase. All Debentures purchased or redeemed (except Debentures purchased or redeemed out of sinking fund moneys) and all Debentures converted into common shares in the capital of the Company, provided the same have been surrendered to the Trustee for cancellation, shall collectively establish a sinking fund credit equal to the aggregate principal amount so purchased, redeemed or converted. Such sinking fund credit or from time to time any part thereof may be applied by the Company (to the extent not theretofore applied) to the satisfaction in whole or in part of any sinking fund payment thereafter falling due on the Debentures. Sinking fund moneys so paid to the Trustee are to be applied to the redemption of Debentures at the principal amount thereof and accrued interest and, in the event Debentures are converted into shares after having been called for redemption out of sinking fund moneys, the Trustee is to continue to call Debentures for redemption out of sinking fund moneys until such moneys are exhausted.

First Mortgage Bonds

The Company also proposes to issue \$5,000,000 aggregate principal amount of 4½% First Mortgage Serial Bonds (herein referred to as the "Serial Bonds") and \$5,000,000 aggregate principal amount of 5½% First Mortgage Sinking Fund Bonds (herein referred to as the "Sinking Fund Bonds"). The Serial Bonds and the Sinking Fund Bonds are herein collectively referred to as the "Bonds". The Serial Bonds are to be dated December 1, 1958 and are to mature \$500,000 on December 1, 1960 and \$750,000 annually on December 1 in each of the years 1961 to 1966, inclusive. The Sinking Fund Bonds are to be dated December 1, 1958 and are to mature on December 1, 1973. The Bonds are to be issued under and pursuant to a Deed of Trust and Mortgage to be dated as of December 1, 1958 and to be made between the Company and Montreal Trust Company, as Trustee. The due and punctual payment of the principal of and interest on the Bonds will, subject to the fulfilment of the conditions set out under the heading "Government of Saskatchewan Assistance", be unconditionally guaranteed by the Government of the Province of Saskatchewan. Reference is hereby made to paragraph (i) of the Statutory Information forming part of this prospectus for further particulars of the Bonds including the security to be created by the Company for the Bonds.

Yours very truly,

INTERPROVINCIAL STEEL CORPORATION LTD.

(Signed) J. W. SHARP

President.

INTERPROVINCIAL STEEL CORPORATION LTD.

(Incorporated under the laws of Saskatchewan)

BALANCE SHEET AND PRO FORMA BALANCE SHEET

AS AT 26th NOVEMBER, 1958

ASSETS

CURRENT ASSETS	Balance Sheet	Pro Forma Balance Sheet (Note No. 1)
Cash	\$ 1,254,030.43	\$ 3,418,950.43
Deposit with trustee (Note No. 4)	—	9,890,000.00
Unpaid share allotments	106,920.00	—
	<u>\$ 1,360,950.43</u>	<u>\$ 13,308,950.43</u>
 FIXED ASSETS, at cost		
Plant site	66,060.00	66,060.00
Buildings, machinery and equipment under construction	1,870,169.92	1,870,169.92
	<u>1,936,229.92</u>	<u>1,936,229.92</u>
 DEFERRED CHARGES		
Bond and Debenture discount	—	200,000.00
Organization and preproduction expense	48,645.85	48,645.85
	<u>48,645.85</u>	<u>248,645.85</u>
	<u>\$ 3,345,826.20</u>	<u>\$ 15,493,826.20</u>

LIABILITIES

FUNDED DEBT

4½% First Mortgage Serial Bonds maturing \$500,000 on 1st December 1960 and \$750,000 annually on 1st December 1961 to 1966, inclusive	\$ —	\$ 5,000,000.00
5½% First Mortgage Sinking Fund Bonds maturing 1st December 1973	—	5,000,000.00
6% Convertible Sinking Fund Debentures maturing 1st December 1974	—	1,500,000.00
	<u>—</u>	<u>11,500,000.00</u>

CAPITAL STOCK

Authorized — 2,000,000 shares without nominal or par value.		
Issued —		
735,153 shares	3,345,826.20	—
1,015,153 shares	—	3,993,826.20
	<u>\$ 3,345,826.20</u>	<u>\$ 15,493,826.20</u>

The accompanying notes to balance sheet and pro forma balance sheet are an integral part of the above balance sheets.

Approved on behalf of the Board.

(Signed) J. W. SHARP, Director

(Signed) J. N. TURVEY, Director.

NOTES TO BALANCE SHEET AND PRO FORMA BALANCE SHEET

- The pro forma balance sheet gives effect as at 26th November 1958 to the following proposed transactions:
 - The sale of \$5,000,000.00 principal amount of 4½% First Mortgage Serial Bonds for \$4,965,000.00 and the sale of \$5,000,000.00 principal amount of 5½% First Mortgage Sinking Fund Bonds for \$4,925,000.00.
 - The sale of \$1,500,000.00 principal amount of 6% Convertible Sinking Fund Debentures for \$1,410,000.00.

- (c) The sale of 100,000 shares without nominal or par value for \$540,000.00.
 - (d) The sale to The Government Finance Office of the Province of Saskatchewan of 180,000 shares without nominal or par value for \$108,000.00.
 - (e) The receipt of cash on unpaid share allotments in the amount of \$106,920.00 in accordance with commitment letters from subscribers for 19,800 shares.
2. A contract dated 14th October 1958 with Indecon Corporation requires the Company to make further expenditures of \$9,090,257.58 on the construction of buildings, machinery and equipment. In addition to the aforementioned amount, covered by contract the Company plans to expend, as estimated by responsible officers of the Company, an amount of \$903,650.00 on machinery and equipment, of which \$95,427.50 has been expended at 26th November 1958, and to make payment of approximately \$237,000.00 to Industrial Consultants Limited for supervisory services.
 3. It is estimated that the Company will expend approximately \$150,000.00 on additional organization and reproduction expenses.
 4. Under the Deed of Trust and Mortgage securing the 4½% First Mortgage Serial Bonds and the 5½% First Mortgage Sinking Fund Bonds, all proceeds received from the sale of the said Serial Bonds and Sinking Fund Bonds are to be deposited with the Trustee. Such proceeds are then subject to withdrawal by the Company from time to time in accordance with certain specified conditions to reimburse the Company for construction costs after an initial \$2,000,000.00 of such costs have been paid for out of other funds of the Company.
 5. The 6% Convertible Sinking Fund Debentures are convertible into common shares of the Company at the option of the holders thereof at the following prices per share:

If converted on or before December 1, 1961	\$ 6.50 per share
If converted after December 1, 1961 and on or before December 1, 1963	\$ 7.00 per share
If converted after December 1, 1963 and on or before December 1, 1965	\$ 8.00 per share
If converted after December 1, 1965 and on or before December 1, 1967	\$ 9.00 per share
If converted after December 1, 1967 and on or before November 30, 1974	\$10.00 per share
 6. The Deed of Trust and Mortgage securing the 4½% First Mortgage Serial Bonds and the 5½% First Mortgage Sinking Fund Bonds and the Trust Indenture pursuant to which the 6% Convertible Sinking Fund Debentures will be issued will each provide that the Company will not pay any dividends on any of its capital stock so long as the Bonds or Debentures, as the case may be, are in default or if net working capital of the Company is or, by reason of the payment of such dividend, would be less than \$4,000,000.00. The said Deed of Trust and Mortgage will also provide that the Company will not make any distribution of assets or retire any securities junior to the Bonds (other than the 6% Convertible Sinking Fund Debentures in accordance with the sinking fund provided for such Debentures or at the maturity thereof) if the net working capital of the Company is or, by reason of the taking of any such action, would be less than 25% of the funded debt of the Company outstanding.

AUDITORS' REPORT

To the Directors of Interprovincial Steel Corporation Ltd.:

We have examined the balance sheet and pro forma balance sheet of Interprovincial Steel Corporation Ltd. as at 26th November 1958. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet presents fairly the financial position of Interprovincial Steel Corporation Ltd. as at 26th November 1958 according to the best of our information and the explanations given to us and as shown by the books of the Company. In our opinion, also, the accompanying pro forma balance sheet presents fairly the financial position of the Company as at 26th November 1958 after giving effect as at that date to the proposed transactions set out in Note 1 to balance sheet and pro forma balance sheet.

All the transactions of the Company that have come before our notice have been within the objects and powers of the Company, to the best of our information and belief.

Regina, Saskatchewan.
December 18, 1958.

(Signed) RIDDELL STEAD GRAHAM & HUTCHISON

Chartered Accountants.

Statutory Information

- (a) The full name of the Company is Interprovincial Steel Corporation Ltd. (hereinafter referred to as the "Company"). The head office of the Company is at 207 Brent Building, Regina, Saskatchewan.
- (b) The Company was incorporated as a private company under the Companies Act of the Province of Saskatchewan by Certificate of Incorporation dated December 24, 1957. Certificates dated May 29, 1958, September 26, 1958 and September 26, 1958, respectively, have been issued to the Company by the Registrar of Joint Stock Companies of the Province of Saskatchewan. The Company was converted to a public company by a Certificate of the Registrar of Joint Stock Companies of the Province of Saskatchewan dated October 23, 1958.
- (c) The general nature of the business to be transacted by the Company is the manufacture and production and sale of skelp, plate and structural steel.
- (d) The names in full, present occupation and home addresses in full of the directors and officers of the Company are as follows:

Directors

Douglas Rudyard Annett.....	Investment Dealer.....	79 Chudleigh Avenue, Toronto, Ontario.
Cecil Edmund Chesher.....	Executive.....	1015 Sydenham Road, Calgary, Alberta.
John Seeton Davidson.....	Insurance Broker.....	Vernon Manor, Nelson St., Vancouver, B.C.
Carman George King.....	Investment Dealer.....	171 Owen Boulevard, Willowdale, Ontario.
James Victor King.....	Executive.....	3209 Hill Avenue, Regina, Saskatchewan.
Robert Alphonso Kramer.....	Executive.....	3160 Albert Street, Regina, Saskatchewan.
Murdoch Alexander MacPherson.....	Barrister.....	202 Balfour Apartments, Regina, Saskatchewan.
Hugh Allen Martin.....	Executive.....	7250 Hudson Street, Vancouver, B.C.
James William Sharp.....	Executive.....	11 Westgate Apartments, Regina, Saskatchewan.
John Beverly Sangster.....	Executive.....	2630 McCallum Avenue, Regina, Saskatchewan.
Francis Earl Shaw.....	Executive.....	530 S. Vidal Avenue, Sarnia, Ontario.
George Charles Solomon.....	Executive.....	2600 - 19th Avenue, Regina, Saskatchewan.
Jack Nellis Turvey.....	Executive.....	5987 Churchill Street, Vancouver, B.C.
Norman Eugene Whitmore.....	Executive.....	2208 Smith Street, Regina, Saskatchewan.

Officers

Murdoch Alexander MacPherson.....	Chairman of the Board.....	202 Balfour Apartments, Regina, Saskatchewan.
James William Sharp.....	President.....	11 Westgate Apartments, Regina, Saskatchewan.
Cecil Edmund Chesher.....	Vice-President.....	1015 Sydenham Road, Calgary, Alberta.
George Charles Solomon.....	Vice-President.....	2600 - 19th Avenue, Regina, Saskatchewan.
Jack Nellis Turvey.....	Secretary-Treasurer.....	5987 Churchill Street, Vancouver, B.C.

- (e) The Company's auditors are Riddell, Stead, Graham & Hutchison, 202 Bank of Nova Scotia Building, Regina, Saskatchewan.

- (f) Montreal Trust Company at its offices in the Cities of Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver is the transfer agent and registrar for the common shares of the Company.

Montreal Trust Company will be the Trustee for the holders of the Bonds of the Company hereinafter referred to and registers upon which coupon Bonds may be registered as to principal and upon which fully registered Bonds shall be registered as to principal and interest and upon which transfers of Bonds so registered will be recorded will be kept by Montreal Trust Company at its principal offices in Montreal, Toronto, Winnipeg, Regina and Vancouver.

The Canada Trust Company will be the Trustee for the holders of the 6% Convertible Sinking Fund Debentures of the Company hereinafter referred to and registers upon which coupon Debentures may be registered as to principal and upon which fully registered Debentures shall be registered as to principal and interest and upon which transfers of Debentures so registered will be recorded will be kept by The Canada Trust Company at its principal offices in the Cities of Montreal, Toronto, Winnipeg, Regina and Vancouver.

- (g) The authorized share capital of the Company consists of 2,000,000 common shares without nominal or par value of which, at the date hereof, 735,153 have been allotted. Of the said 735,153 shares, 715,353 are fully paid and non-assessable and there is owing to the Company the sum of \$106,920 in respect of the remaining 19,800 shares. The Company will be obligated to allot to The Government Finance Office of the Province of Saskatchewan 180,000 common shares at a price of 60¢ per share as consideration for the guarantee by the Government of Saskatchewan of the Bonds of the Company. As stated in paragraph (i) hereof the Company proposes to issue and sell additional common shares.
- (h) All common shares in the capital stock of the Company carry one vote for each share and all common shares rank equally with respect to dividends and distribution of profit or capital of the Company on winding up. There are no preferences, conversion rights, exchange rights or redemption rights in respect of the shares of the Company.
- (i) No Bonds or Debentures of the Company are presently outstanding but the Company proposes to issue the following securities:
 - (i) \$10,000,000 principal amount of First Mortgage Serial and Sinking Fund Bonds (herein referred to as the "Bonds") to be dated December 1, 1958 and, as to \$5,000,000 aggregate principal amount thereof to be designated as 4½% First Mortgage Serial Bonds (herein referred to as the "Serial Bonds"), to bear interest at the rate of 4½% per annum and to mature \$500,000 on December 1, 1960 and \$750,000 annually on December 1 in each of the years 1961 to 1966, both inclusive, and, as to \$5,000,000 aggregate principal amount thereof to be designated as 5½% First Mortgage Sinking Fund Bonds (herein referred to as the "Sinking Fund Bonds"), to bear interest at the rate of 5½% per annum and to mature on December 1, 1973;
 - (ii) \$1,500,000 aggregate principal amount of 6% Convertible Sinking Fund Debentures (herein referred to as the "Debentures") to be dated December 1, 1958 and to mature on December 1, 1974;
 - (iii) 100,000 common shares without nominal or par value in the capital of the Company (herein referred to as the "Shares").

First Mortgage Bonds

The Bonds will be direct obligations of the Company and will be issued pursuant to a Deed of Trust and Mortgage (herein referred to as the "Trust Deed") to be dated as of December 1, 1958 and to be made between the Company and Montreal Trust Company, as Trustee (herein referred to as the "Bond Trustee") and will be secured by

1. a first fixed and specific mortgage, pledge or charge of and upon all the real and immovable freehold and leasehold properties and rights and interests therein now owned by the Company; and
2. a first floating charge upon all other present and future property and assets of the Company and upon its undertaking.

The first fixed and specific mortgage, pledge and charge above mentioned is to be expressed to be applicable to all real and immovable freehold and leasehold properties and rights and interests therein hereafter acquired by the Company and to all shares of stock owned by the Company in any company which shall become a subsidiary of the Company.

The due and punctual payment of the principal of and interest on the Bonds will, subject to the fulfilment of the conditions set out under the heading "Government of Saskatchewan Assistance" on Page 3 of this prospectus, to which reference is hereby expressly made, be unconditionally guaranteed by the Government of Saskatchewan.

The Trust Deed pursuant to which the Bonds will be issued will not make provision for the issue of additional Bonds.

The Serial Bonds will not be redeemable on or before December 1, 1961 but after December 1, 1961 the Serial Bonds will be redeemable at the Company's option at any time in whole or from time to time in part on 30 days prior notice at the principal amount thereof together with a premium of ¼ of 1% of the principal amount of each Serial Bond so redeemed for each year or part of a year from the date specified for redemption to the stated maturity date of each Serial Bond so to be redeemed and accrued interest to the date specified for redemption. No Serial Bonds of any maturity may be redeemed unless all of the outstanding Serial Bonds of that maturity and of every later maturity are redeemed on the same date. The Sinking Fund Bonds will not be redeemable on or before December 1, 1971 but after December 1, 1971 the Sinking Fund Bonds will be redeemable at the Company's option at any time in whole or from time to time in part on 30 days prior notice at the principal amount thereof together with accrued interest to the date specified for redemption.

The Company will covenant in the Trust Deed to pay to the Bond Trustee as and by way of a sinking fund for the Sinking Fund Bonds the sum of \$625,000 on December 1 in each of the years 1967 to 1972 inclusive. The moneys so paid to the Bond Trustee shall not be used for the redemption of Sinking Fund Bonds but may be used by the Bond Trustee for the purchase of Sinking Fund Bonds if available at a price not exceeding the principal amount thereof together with accrued interest to the date of purchase and to the extent not so used in the purchase of Sinking Fund Bonds such moneys shall be retained by the Bond Trustee and invested in obligations of or guaranteed by Canada or obligations of or guaranteed by any Province of Canada provided that all such obligations shall have a maturity date on or before December 1, 1973 and shall be payable in lawful money of Canada.

The Trust Deed is to be in a form approved by The Government Finance Office of Saskatchewan and will contain covenants among others substantially as follows:

- (1) The Company shall not create any indebtedness (except as hereinafter provided) which ranks senior to or pari passu with the Bonds and shall not, without the consent of the holders of 51% of the principal amount of the Bonds from time to time outstanding, create any indebtedness (except as hereinafter provided) ranking junior to the Bonds, provided that neither the foregoing provisions nor the floating charge shall prevent the Company
 - (i) from borrowing from any bank or banks in the ordinary course of business and giving security to such bank or banks for such borrowing; and

- (ii) from acquiring property subject to mortgage or from giving purchase money mortgages in connection with the acquisition of property in an amount not in excess of 66⅔% of the cost or fair value, whichever is less, of such property; and
 - (iii) from creating and issuing the Debentures;
- (2) The Company shall not change its corporate structure without the consent of the holders of 51% or more of the principal amount of Bonds from time to time outstanding;
 - (3) The Company shall not nor shall it allow any subsidiary to enter into any guarantee except guarantees given in the ordinary course of business;
 - (4) The Company shall not sell or dispose of the business or assets of the Company as a whole or substantially as a whole without the consent of the holders of 51% or more of the principal amount of the Bonds from time to time outstanding;
 - (5) The Company shall not, without the consent of the holders of 51% or more of the principal amount of the Bonds from time to time outstanding, make any distribution of assets or retire any securities junior to the Bonds (other than the Debentures in accordance with the sinking fund for the Debentures or at the maturity thereof) if the net working capital of the Company is or, by reason of the taking of any such action, would be less than 25% of the funded debt of the Company outstanding.
 - (6) The Company shall not declare or pay any dividends on any shares in its capital if the Company is in default under the Trust Deed or if the net working capital of the Company is, or by reason of the payment of such dividend would be, less than \$4,000,000.

The Trust Deed is to specify that the proceeds from the sale of the Serial Bonds and the Sinking Fund Bonds are to be deposited with the Bond Trustee and may be withdrawn by the Company from time to time to reimburse the Company for construction costs (as to be defined in the Trust Deed) in respect of the Plant actually paid by the Company or may be applied by the Bond Trustee upon the written request of the Company to the payment of bills due and unpaid which have been incurred by the Company for such construction costs. The Trust Deed is to contain provision for the deposit with the Bond Trustee of Engineer's Certificates, Officers' Certificates and opinions of counsel before any such moneys are so paid or applied by the Bond Trustee and is to provide that no such moneys shall be so paid and applied until at least \$2,000,000 have been expended for construction costs.

6% Convertible Sinking Fund Debentures

The Debentures are to be direct obligations of the Company and are to be issued under a Trust Indenture (herein referred to as the "Trust Indenture") to be dated as of December 1, 1958 and to be made between the Company and The Canada Trust Company, as Trustee. The Debentures will not be secured by any mortgage or other charge. The maximum principal amount of Debentures which may be issued under the Trust Indenture will be limited to \$1,500,000 principal amount.

The Debentures will be redeemable prior to maturity in whole at any time or in part from time to time at the option of the Company on not less than 30 days prior notice at the principal amount thereof together with a premium of 5% of such principal amount if redeemed on or before December 1, 1961, a premium of 4% of such principal amount if redeemed after December 1, 1961 and on or before December 1, 1964, a premium of 3% of such principal amount if redeemed after December 1, 1964 and on or before December 1, 1967, a premium of 2% of such principal amount if redeemed after December 1, 1967 and on or before December 1, 1970, a premium of 1% of such principal amount if redeemed after December 1, 1970 and on or before December 1, 1973 and at the principal amount if redeemed thereafter and prior to maturity, together with, in all cases, accrued interest to the date specified for redemption.

Each Debenture will be convertible at the option of the holder at any time up to the close of business on November 30, 1974 or the close of business on the fifth day immediately preceding the date specified for redemption of any Debenture, whichever is the earlier, into fully paid and non-assessable common shares as now constituted in the capital of the Company at the following prices in lawful money of Canada per share taking each Debenture at the principal amount thereof and without adjustment for accrued interest thereon (i) at \$6.50 per share if converted on or before December 1, 1961, (ii) at \$7.00 per share if converted after December 1, 1961 and on or before December 1, 1963, (iii) at \$8.00 per share if converted after December 1, 1963 and on or before December 1, 1965, (iv) at \$9.00 per share if converted after December 1, 1965 and on or before December 1, 1967, and (v) at \$10.00 per share if converted after December 1, 1967 and on or before November 30, 1974.

The Trust Indenture will contain provisions for adjustment of the conversion privilege in certain events, including the issuance of common shares at a price below the conversion price then in effect, and subdivisions and consolidations of outstanding common shares. Provision will also be made in the Trust Indenture to protect the right of conversion in the event of any capital reorganization or reclassification of the share capital of the Company or a consolidation or merger of the Company with or into another corporation. The Company will covenant in the Trust Indenture that it will at all times reserve sufficient of its unissued common shares to satisfy the exercise of the right of conversion attaching to the Debentures. The Trust Indenture will provide that no fraction of a common share will be deliverable upon the conversion of any Debenture. The Company will adjust all fractions arising upon conversion of Debentures by paying to the holder of the Debentures being surrendered for conversion an amount in cash computed in the manner to be set out in the Trust Indenture.

The Company will covenant in the Trust Indenture to pay to the Trustee as and by way of a sinking fund for the Debentures the sum of \$150,000 on December 1 in each of the years 1967 to 1973, inclusive. In addition, the Company will also covenant to pay to the Trustee an amount equal to accrued interest and expenses incurred in redeeming Debentures out of sinking fund moneys. The Company will have the right to purchase Debentures in the market or by private contract at prices not exceeding the redemption price

in effect at the time of purchase in respect of Debentures redeemed otherwise than out of sinking fund moneys plus accrued interest and costs of purchase. All Debentures purchased or redeemed (except Debentures purchased or redeemed out of sinking fund moneys) and all Debentures converted into common shares in the capital of the Company, provided the same have been surrendered to the Trustee for cancellation, shall collectively establish a sinking fund credit equal to the aggregate principal amount so purchased, redeemed or converted. Such sinking fund credit or from time to time any part thereof may be applied by the Company (to the extent not theretofore applied) to the satisfaction in whole or in part of any sinking fund payment thereafter falling due on the Debentures. Sinking fund moneys so paid to the Trustee are to be applied to the redemption of Debentures at the principal amount thereof and accrued interest and, in the event Debentures are converted into shares after having been called for redemption out of sinking fund moneys, the Trustee is to continue to call Debentures for redemption out of sinking fund moneys until such moneys are exhausted.

The Trust Indenture is to contain provisions to the effect

- (i) that the Company will not declare or pay any dividends on any shares in its capital if the Company is in default under the Trust Indenture or if the net working capital of the Company is, or by reason of the payment of such dividend would be, less than \$4,000,000; and
 - (ii) that the Company will not nor will it allow any subsidiary to enter into any guarantee except guarantees given in the ordinary course of business.
- (j) There is no substantial indebtedness to be created or assumed which is not shown in the balance sheet and pro forma balance sheet of the Company as at November 26, 1958 forming part of this prospectus save and except such indebtedness as may be incurred by the Company in the ordinary course of business.
- (k) At the date hereof no securities of the Company are covered by outstanding options granted by the Company. The Company expects that it will in the future grant options to key employees to purchase an aggregate of 20,000 common shares at a price of \$5.40 per share. Each of the Debentures will be convertible into fully paid and non-assessable common shares in the capital of the Company on the basis and subject to the terms and conditions described in paragraph (i) hereof.
- (l) The Debentures and the Shares which the Company proposes to issue and the terms thereof are as set out in paragraphs (h) and (i) hereof and the prices payable to the Company therefor are as stated in the underwriting agreement referred to in paragraph (p) hereof. The offering price to the public of the Debentures is \$99 per \$100 principal amount thereof and accrued interest and the offering price to the public of the Shares is \$6.00 per share.

Within the two years preceding the date hereof the Company has sold an aggregate of 735,153 common shares. The Company has received on the sale of the said 735,153 common shares \$3,238,906.20 and there is owing to the Company in respect of 19,800 of said shares \$106,920. 130,000 of said shares were sold for an aggregate of \$78,000 and the balance, namely 605,153 shares, were sold at a price of \$5.40 per share. No commission was paid or is payable by the Company in respect of the sale of any of such Shares.

- (m) The estimated net proceeds from the sale of the Debentures and from the Shares on the basis of the same being fully taken up and paid for are \$1,950,000 without taking into account incidental expenses to the Company for legal, auditing and miscellaneous matters in connection with the issue thereof, which expenses will be paid out of the general funds of the Company.
- (n) The net proceeds from the sale of the Debentures and from the Shares together with the proceeds from the sale of the Bonds and the present funds of the Company will be used to defray the cost of constructing and equipping the mill referred to in the section headed "The Proposed Mill" appearing on page 2 of this prospectus, to which reference is hereby expressly made, and to provide initial working capital estimated at \$2,800,000. There is no provision for the holding in trust of the proceeds from the sale of the Debentures and the Shares pending or subject to the fulfilment of any condition. Reference is made to paragraph (i) hereof for the provisions relating to the deposit and withdrawal from the Bond Trustee of the proceeds from the sale of the Bonds.
- (o) As not less than all the Shares will be issued, no minimum amount in the opinion of the Directors must be raised by the issue of the Shares to provide the sums required or the balance of the sums required to pay the purchase price of any property, to meet preliminary expenses or commissions payable by the Company, to repay moneys borrowed by the Company in respect of the foregoing matters or to repay bank loans.
- (p) The Company, by letter agreement dated December 8, 1958, agreed with Annett & Company Limited, acting as underwriter, to sell to such underwriter and such underwriter has agreed to purchase (i) the Debentures at a price of \$94 per \$100 principal amount and accrued interest payable in cash against delivery of the said Debentures on or about January 7, 1959 and (ii) the Shares at a price of \$5.40 per share payable in cash against delivery of certificates representing the Shares. The said agreement provides that the Shares may be taken up and paid for by the underwriter in whole at any time or in part from time to time on and after January 7, 1959 but all the Shares are to be purchased and paid for not later than February 17, 1959. The obligation of the underwriter to purchase the Debentures and the Shares is subject to compliance with the necessary legal formalities and to the terms and conditions stated in said agreement. Under the said agreement, the Company has agreed to pay Annett & Company Limited for services rendered by it as financial consultants of the Company the sum of \$15,000 in 12 equal monthly instalments of \$1,250 each on the 15th days of each month commencing on January 15, 1959.

The Company, by letter agreement dated October 6, 1958, as amended by letter agreement dated December 18, 1958, agreed with Annett & Company Limited acting as underwriter to sell to such underwriter and such underwriter has agreed to purchase the Sinking Fund Bonds referred to in paragraph (i) hereof at a price of \$98.50 per \$100 principal amount thereof and accrued interest payable in cash against delivery of the Sinking Fund Bonds on or about March 3, 1959, subject to compliance with the necessary

legal formalities and to the terms and conditions stated in such agreement, as amended, including the condition that the principal of and interest on the Sinking Fund Bonds is to be unconditionally guaranteed by the Province of Saskatchewan. The said agreement, as so amended, provides for payment on March 3, 1959 to the underwriter of a standby fee of 3% per annum calculated on the full principal amount of the Sinking Fund Bonds from December 16, 1958 to the date of payment.

The Company, by letter agreement dated October 21, 1958, as amended by letter agreement dated December 18, 1958, agreed with Annett & Company Limited acting as underwriter to sell to such underwriter and such underwriter has agreed to purchase the Serial Bonds referred to in paragraph (i) hereof at a price of \$99.30 per \$100 principal amount thereof and accrued interest, subject to compliance with the necessary legal formalities and to the terms and conditions stated in such agreement, as amended, including the condition that the principal of and interest on the Serial Bonds is to be unconditionally guaranteed by the Province of Saskatchewan. Such agreement, as amended, provides for the purchase of the Serial Bonds on June 1, 1960 or from time to time on such business day or days prior thereto and in such aggregate principal amounts (in multiples of \$100,000 but not less than \$1,000,000 in the case of any delivery other than the last) as the Company may specify by 30 days notice in writing delivered to Annett & Company Limited at any time or from time to time. The said agreement, as amended, provides for payment to the underwriter on each day when Serial Bonds are purchased of a standby fee of $\frac{1}{4}$ of 1% per annum of the principal amount of the Serial Bonds from time to time not taken up, which standby fee is to accrue from December 1, 1958.

- (q) The Articles of Association of the Company have the following provision with respect to remuneration of the Directors of the Company: "The remuneration of the Directors shall from time to time be determined by resolution of the Directors."
- (r) The Company has not yet completed its first fiscal year. It is anticipated that during the current fiscal year, the Company will not pay any remuneration to the Directors of the Company, as such, and that the Company will not pay to any of its officers, as such, any remuneration in excess of \$10,000 per annum.
- (s) No commission has been paid within the two years preceding the date hereof or is now payable by the Company for subscribing, or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or obligations of the Company. Reference is, however, made to paragraph (p) hereof for particulars of the discount on the sale by the Company of the Bonds and the Debentures.
- (t) The estimated amount of the preliminary expenses of the Company is \$200,000.
- (u) & (v) Except for the purchase of the plant site hereinafter in this paragraph referred to and except for materials and equipment to be acquired for the purpose of constructing and equipping the mill to be constructed by the Company and other than transactions entered into in the ordinary course of operations or on the general credit of the Company, no property has been purchased or acquired by the Company or is proposed to be purchased or acquired the purchase price of which is to be defrayed in whole or in part out of the proceeds of the Debentures and Shares or has been paid since the date of incorporation of the Company or is to be paid in whole or in part in securities of the Company or the purchase or acquisition of which has not been completed at the date of this prospectus.

The Company is obtaining a plant site of 180 acres, two miles northwest of the City of Regina, at a price of \$66,060 payable in cash. The Company has exercised an option from the owners, Paul Marks and Margaret Marks, both of Regina, to purchase the site and is now in the course of obtaining title.

- (w) No securities have been issued or agreed to be issued by the Company as fully or partly paid up otherwise than in cash since the date of incorporation of the Company.
- (x) The Debentures will not be secured by any mortgage, pledge, charge or other security.
- (y) With the exception of services rendered to the Company in the ordinary course of its business, services rendered and to be rendered by Indecon Corporation and Industrial Consultants Limited in connection with the contracts referred to in paragraph (aa) and legal, auditing and other services in connection with the issue of the Debentures and the Shares, no services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the Debentures and the Shares. No services have been rendered to the Company since the date of its incorporation which have been or are to be paid for by securities of the Company. As stated in paragraph (g) hereof the Company will be obligated to allot to The Government Finance Office of the Province of Saskatchewan 180,000 common shares at a price of 60¢ per share as consideration for the guarantee by the Government of Saskatchewan of the Bonds of the Company.
- (z) Within the two preceding years, the Company has not paid, nor does the Company intend to pay, any amount to any promoter.
- (aa) The dates of and the parties to and the general nature of every material contract entered into since the date of the Company's incorporation, other than contracts entered into in the ordinary course of the business carried on and intended to be carried on by the Company, are as follows:
 - (i) An engineering and construction contract dated October 14, 1958, between Industrial Consultants Limited, acting as agent of the Company, and Indecon Corporation for the engineering and construction of the Company's mill.
 - (ii) A management contract dated October 7, 1958 with Industrial Consultants Limited for contract supervision and company management until the Company is in effective operation and routine production at a fee of 2% of the total cost of constructing and equipping the mill. J. W. Sharpe and J. N. Turvey, directors of the Company, are the beneficial owners of all of the issued shares of Industrial Consultants Limited.
 - (iii) An option, now exercised, to purchase the plant site referred to in paragraph (u) & (v).
 - (iv) A contract dated October 6, 1958 with Prairie Pipe Manufacturing Co. Ltd., for the supply of all its steel skelp requirements for 15 years on the condition that price, quality and delivery are competitive.

- (v) Agreements dated October 6 and October 21, 1958, as amended by agreements each dated December 18, 1958, with Annett & Company Limited covering the purchase by it of the Sinking Fund Bonds and the Serial Bonds, respectively.
- (vi) Agreement dated December 8, 1958, with Annett & Company Limited, covering the purchase by it of the Debentures and Shares.

Copies of the foregoing documents and, when executed, of the Trust Deed and Trust Indenture and of the agreement between the Company and the Government of Saskatchewan setting forth the covenants of the Company pursuant to the letter received from the Provincial Treasurer of the Province of Saskatchewan referred to under the heading "Government of Saskatchewan Assistance" on page 3 of this prospectus may be inspected during ordinary business hours at the office of the Company referred to in paragraph (a) hereof, during the time that the Debentures and Shares are in the course of primary distribution to the public.

- (bb) The Company has issued and sold to directors 60,600 shares for a consideration of \$36,360 and 176,273 shares at a price of \$5.40 per share but otherwise no director has any interest in the promotion of or in any property acquired or proposed to be acquired by the Company, and no sum has been paid or agreed to be paid to any director in cash or in shares or otherwise by any person, either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by him, or by any firm of which he is a member, in connection with the promotion or formation of the Company.
- (cc) The Company has been carrying on business since December 24, 1957.
- (dd) No persons by reason of beneficial ownership of securities of the Company or any agreement in writing are known to be in a position to or are entitled to elect or cause to be elected a majority of the directors of the Company.
- (ee) Certificates of 130,000 common shares without nominal or par value in the capital of the Company which were issued for an aggregate consideration of \$78,000 are held in escrow by Montreal Trust Company at Regina, Saskatchewan, until December 1, 1960 and thereafter until the Board of Directors of the Company directs their release. However, permission for release of such shares may be given by the Board of Directors for the purpose of their pledge as security with any recognized financial institution on the condition that upon release from such pledge the shares will be returned to the escrow. The said 130,000 common shares include the 60,600 common shares referred to in paragraph (bb) above issued and sold to directors and 69,400 common shares which are presently held by 49 private individuals who are or have been employees of the Company or of other companies in which some of the directors have interests or who are persons whom it was felt were in a position to contribute to the welfare of the Company by way of substantial personal investment, acquisition of markets and other similar reasons.
- (ff) No dividends have been paid by the Company since the date of its incorporation.
- (gg) No minimum subscription is fixed under Section 121 of The Companies Act.
- (hh) The Company was incorporated as a Private Company, and became entitled to commence business by a Certificate of Incorporation issued by the Registrar of Joint Stock Companies on December 24, 1957.
- (ii) There are no other material facts not disclosed in the foregoing.

DATED this 18th day of December, 1958.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), Section 39 of The Securities Act (Saskatchewan), Section 13 of The Security Frauds Prevention Act (New Brunswick), Part IX of The Securities Act (Alberta) and under The Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Directors

(Signed) D. R. ANNETT.	(Signed) R. A. KRAMER.	MURDOCH A. MACPHERSON
(Signed) C. G. KING.	(Signed) J. V. KING.	by his agent
(Signed) J. N. TURVEY.	(Signed) J. B. SANGSTER.	(Signed) W. M. ELLIOTT.
(Signed) N. E. WHITMORE.	(Signed) J. W. SHARP.	HUGH A. MARTIN
(Signed) GEO. C. SOLOMON.	JOHN S. DAVIDSON	by his agent
C. E. CHESHER	by his agent	(Signed) W. M. ELLIOTT.
by his agent	(Signed) W. M. ELLIOTT.	FRANCIS EARL SHAW
(Signed) W. M. ELLIOTT.		by his agent
		(Signed) W. M. ELLIOTT.

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), Section 39 of The Securities Act (Saskatchewan), Section 13 of The Security Frauds Prevention Act (New Brunswick), Part IX of The Securities Act (Alberta) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

Underwriter

Annett & Company Limited
by
(Signed) D. R. ANNETT.

The following are the names of all persons having an interest either directly or indirectly to the extent of not less than five percent in the capital of Annett & Company Limited: D. R. Annett, C. G. King, J. W. Annett, T. A. W. Duncan and E. J. Allman.

THE FRANKLIN PRESS, TORONTO

CERTIFICATE

Pursuant to a resolution duly passed by its board of directors, the applicant Company hereby applies for listing of the above mentioned securities on the Toronto Stock Exchange and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



INTERPROVINCIAL STEEL CORPORATION LTD.
"J. W. SHARP", President
"J. N. TURVEY", Secretary

STATEMENT SHOWING NUMBER OF SHAREHOLDERS
Distribution of Common stock as of March 17th, 1959

Number				Shares
148	Holders of	1—	100 share lots.....	11,047
72	" "	101—	200 " ".....	14,044
14	" "	201—	300 " ".....	3,905
13	" "	301—	400 " ".....	4,824
38	" "	401—	500 " ".....	18,824
82	" "	501—	1000 " ".....	72,665
99	" "	1001—	up " ".....	709,844
466 Stockholders				Total shares.....835,153

